

# SEYLAN BANK PLC

**MARKET DICIPLINE -  
MINIMUM DISCLOSURE REQUIREMENTS  
UNDER PILLAR III  
as per Direction 01. of 2016**

**As at 30.06.2021**

**Template 1**  
**Key Regulatory Ratios - Capital and Liquidity**

Item	Minimum Require	Reporting Period 30.06.2021	Previous Reporting Period 31.12.2020
<b>Regulatory Capital (LKR'000)</b>			
Common Equity Tier 1 Capital		45,125,738	45,810,093
Tier 1 Capital		45,125,738	45,810,093
Total Capital		60,675,701	57,122,556
<b>Regulatory Capital Ratios (%)</b>			
Common Equity Tier 1 Capital Ratio	7.00%	10.29%	11.46%
Tier 1 Capital Ratio	8.50%	10.29%	11.46%
Total Capital Ratio	12.50%	13.84%	14.30%
Leverage Ratio	3.00%	7.55%	7.94%
Net Stable Funding Ratio	90.00%	107.01%	110.38%
<b>Regulatory Liquidity</b>			
<b>Statutory Liquid Assets</b>			
Domestic Banking Unit ( LKR 000 )		140,371,508	144,503,849
Off-Shore Banking Unit ( USD 000 )		32,885	33,828
<b>Statutory Liquid Assets Ratio</b>			
Domestic Banking Unit	20.00%	29.08%	31.31%
Off-Shore Banking Unit	20.00%	22.61%	22.47%
Liquidity Coverage Ratio - Rupee	90.00%	170.77%	176.95%
Liquidity Coverage Ratio - All Currency	90.00%	134.28%	142.75%

**Template 2**  
**Basel III Computation of Capital Ratios**

Item	Amount (LKR'000)	
	Reporting Period 30.06.2021	Previous Reporting Period 31.12.2020
<b>Common Equity Tier I (CETI) Capital after Adjustments</b>	<b>45,125,738</b>	<b>45,810,093</b>
<b>Common Equity Tier I (CET1) Capital</b>	<b>46,055,463</b>	<b>46,774,785</b>
Equity capital (Stated Capital)/Assigned Capital	18,323,881	17,548,347
Reserve fund	2,103,522	2,103,522
Published Retained Earnings/(Accumulated Retained Losses)	23,462,311	24,237,845
Published Accumulated Other Comprehensive Income (OCI)	1,396,833	1,396,833
General and Other Disclosed Reserves	1,488,238	1,488,238
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	(719,322)	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
<b>Total Adjustments to CET1 Capital</b>	<b>929,725</b>	<b>964,692</b>
Goodwill (net)		
Intangible Assets (net)	585,563	620,530
Others *	344,162	344,162
<b>Additional Tier 1 (AT1) Capital after Adjustments</b>		
<b>Total Additional Tier 1 (AT1) Capital</b>		
Qualifying Additional Tier 1 Capital Instruments		
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
<b>Total Adjustments to AT1 Capital</b>		
Investment in Own Shares		
Others (Specify)		
<b>Tier 2 Capital after Adjustments</b>	<b>15,549,963</b>	<b>11,312,463</b>
<b>Total Tier 2 Capital</b>	<b>15,549,963</b>	<b>11,312,463</b>
Qualifying Tier 2 Capital Instruments	13,360,263	9,122,763
Revaluation gains	393,149	393,149
Loan Loss Provisions (General Provision)	1,796,551	1,796,551
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
<b>Total Adjustments to Tier 2</b>	<b>-</b>	<b>-</b>
Investment in own shares		
Others (Specify)	-	-
<b>Total Tier 1 Capital</b>	<b>45,125,738</b>	<b>45,810,093</b>
<b>Total Capital</b>	<b>60,675,701</b>	<b>57,122,556</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>438,446,639</b>	<b>399,575,469</b>
RWAs for Credit Risk	401,643,368	369,871,446
RWAs for Market Risk	6,892,072	1,016,973
RWAs for Operational Risk	29,911,199	28,687,050
<b>CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>10.29%</b>	<b>11.46%</b>
of which: Capital Conservation Buffer (%)	2.500%	2.500%
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		
<b>Total Tier 1 Capital Ratio (%)</b>	<b>10.29%</b>	<b>11.46%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>13.84%</b>	<b>14.30%</b>
of which: Capital Conservation Buffer (%)	2.500%	2.500%
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		

**Template 3**  
**Computation of Leverage Ratio**

Item	Amount (LKR'000)	
	Reporting Period 30.06.2021	Previous Reporting Period 31.12.2020
<b>Tier 1 Capital</b>	<b>45,125,738</b>	<b>45,810,094</b>
<b>Total Exposures</b>	<b>597,946,221</b>	<b>577,103,922</b>
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	547,918,975	525,893,986
Derivative Exposures	938,968	1,732,936
Securities Financing Transaction Exposures	1,239,580	6,142,893
Other Off-Balance Sheet Exposures	47,848,698	43,334,107
<b>Basel III Leverage Ratio (%) (Tier 1/Total Exposure)</b>	<b>7.55%</b>	<b>7.94%</b>

**Template 4**  
**Basel III Computation of Liquidity Coverage Ratio**

Item	Amount (LKR'000)					
	Reporting Period - 30.06.2021			Previous Reporting Period - 31.12.2020		
	Total Un-weighted Value	Factor (%)	Total Weighted Value	Total Un-weighted Value	Factor (%)	Total Weighted Value
<b>Total Stock of High-Quality Liquid Assets (HQLA)</b>			<b>94,756,664</b>			<b>100,209,155</b>
<b>Total Adjusted Level 1A Assets</b>	94,646,862		<b>94,646,862</b>	100,002,267		<b>100,002,267</b>
Level 1A Assets	94,678,775	100%	<b>94,678,775</b>	100,123,279	100%	100,123,279
<b>Total Adjusted Level 2A Assets</b>			-			
Level 2A Assets			-			-
<b>Total Adjusted Level 2B Assets</b>			<b>77,890</b>			<b>85,876</b>
Level 2B Assets	155,779	50%	77,890	171,753	50%	85,876
<b>Total Cash Outflows</b>			<b>94,819,925</b>			<b>98,346,660</b>
Deposits	356,274,400	10%	35,627,440	341,486,750	10%	34,148,675
Unsecured Wholesale Funding	91,795,574	25% -100%	44,776,089	90,266,536	25% -100%	48,186,985
Secured Funding Transactions			-			-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	200,153,300	0% -100%	10,289,521	189,540,464	0% -100%	9,617,217
Additional Requirements	4,126,875	100%	4,126,875	6,393,784	100%	6,393,784
<b>Total Cash Inflows</b>			<b>24,255,547</b>			<b>28,147,748</b>
Maturing Secured Lending Transactions Backed by Collateral			-			-
Committed Facilities	-		-	-		-
Other Inflows by Counterparty which are Maturing within 30 Days	40,993,705	50%-100%	23,935,244	41,245,414	50%-100%	27,367,533
Operational Deposits	16,962,249		-	2,257,009		-
Other Cash Inflows	501,676	50% -100%	320,303	1,158,293	50% -100%	780,215
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)*100</b>			<b>134.28</b>			<b>142.75</b>

**Template 5**  
**Main Features of Regulatory Capital Instruments**

Description of the Capital Instrument	Ordinary Voting Shares	Ordinary Non- Voting Shares	Debenture Issue - 2016 (5 years and 7 years)	Debenture Issue - 2018 (5 years, 7 years & 10 years)	Debenture Issue - 2019 (5 years)	Debenture Issue - 2021 (5 years)
Issuer	Seylan Bank PLC	Seylan Bank PLC	Seylan Bank PLC	Seylan Bank PLC	Seylan Bank PLC	Seylan Bank PLC
Unique Identifier (e., ISIN or Bloombers Identifier for Private Placement)	LK0182N00002	LK0182X00001	LK0182023559 LK0182023567 LK0182023542	LK0182023955 LK0182023963 LK0182023971	LK0182D24219 LK0182D24227	LK0182D24722 LK0182D24730
Governing Law (s) of the Instrument	Provisions of the Banking Act, Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007 and the Articles of Association of the Bank	Provisions of the Banking Act, Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007 and the Articles of Association of the Bank	Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007, the Articles of Association of the Bank, Prospectus of the Debenture Issue and the Trust Deed	Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007, the Articles of Association of the Bank, Prospectus of the Debenture Issue and the Trust Deed	Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007, the Articles of Association of the Bank, Prospectus of the Debenture Issue and the Trust Deed	Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007, the Articles of Association of the Bank, Prospectus of the Debenture Issue and the Trust Deed
Original Date of Issuance	April 1988	September 2003	15th July 2016	29th March 2018	18th April 2019	12th April 2021
Par Value of Instrument	N/A	N/A	LKR 100/- each	LKR 100/- each	LKR 100/- each	LKR 100/- each
Perpetual or Dated	N/A	N/A	dated	dated	dated	dated
Original Maturity Date, If Applicable	N/A	N/A	15th July 2021	28th March 2023 28th March 2025 28th March 2028	18th April 2024	12th April 2026
Amount Recognized in Regulatory Capital (in '000 as at the Reporting Date)	11,521,262	6,802,619	1,396,513	3,513,750	2,750,000	5,700,000
Accounting Classification (Equity /Liability)	Equity	Equity	Liability	Liability	Liability	Liability
<b>Issuer call subject to prior Supervisory Approval</b>						
Optional Call Date, Contingent Call Dates and Redemption Amount (LKR '000)	N/A	N/A	N/A	N/A	N/A	N/A
Subsequent Call Dates, If Applicable	N/A	N/A	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>						
Fixed or Floating Dividend /Coupon	Dividend as decided by the Board annually	Dividend as decided by the Board annually	Fixed and floating interest rate	Fixed interest rate	Fixed interest rate	Fixed interest rate
Coupon Rate and any Related Index	As decided by the Board	As decided by the Board	Semi-Annual Interest - 13.0% p.a. (for 5 years), Semi-Annual Interest - 6 month T-Bill (gross) + 1.50% (for 5 years), Semi-Annual Interest - 13.75% p.a. (for 7 years)	Semi-Annual Interest - 12.85% p.a. (for 5 years), Semi-Annual Interest - 13.20% (for 7 years), Semi-Annual Interest - 13.50% p.a. (for 10 years)	Semi-Annual Interest - 14.5% p.a. Semi-Annual Interest - 10.50% p.a	Annual Interest - 9.75% p.a., Quarterly Interest - 9.25% p.a.
Non-Cumulative or Cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
<b>Convertible or Non-Convertible</b>	Non-Convertible	Non-Convertible	Non-Convertible	Convertible	Convertible	Convertible
If Convertible, Conversion Trigger (s)				when determined a 'Trigger Event' at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka	when determined a 'Trigger Event' at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka	Convertible in the event of a "Trigger Event" in terms of the Banking Act Direction No.1 of 2016
If Convertible, Fully or Partially				when determined at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka	when determined at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka	when determined a 'Trigger Event' at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka
If Convertible, Mandatory or Optional				Mandatory in the event of a 'Trigger Event'	Mandatory in the event of a 'Trigger Event'	Mandatory in the event of a 'Trigger Event'
If Convertible, Conversion Rate				Simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank (as published by the Colombo Stock Exchange) during the three (03) months period immediately preceding the Trigger Event, as determined by the Monetary Board.	Simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank (as published by the Colombo Stock Exchange) during the three (03) months period immediately preceding the Trigger Event, as determined by the Monetary Board.	Simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank (as published by the Colombo Stock Exchange) during the three (03) months period immediately preceding the Trigger Event, as determined by the Monetary Board.

**Template 7**  
**Credit Risk under Standardised Approach -**  
**Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects**

Description	Amount (LKR'000) as at 30th June 2021						
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM			RWA and RWA Density (%)	
	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	Off-Balance Sheet Amount	Total	RWA	RWA Density (ii)
Claims on Central Government and CBSL	107,637,316	-	107,637,316	-	107,637,316	1,661,659	1.54%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	0.00%
Claims on Public Sector Entities	2,905,273	-	2,905,273	-	2,905,273	581,055	20.00%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	
Claims on Banks Exposures	21,918,918	-	21,918,918	-	21,918,918	9,370,846	42.75%
Claims on Financial Institutions	22,223,470	-	22,223,470	-	22,223,470	15,921,116	71.64%
Claims on Corporates	206,528,404	215,012,636	201,612,731	36,826,611	238,439,342	235,689,694	98.85%
Retail Claims	152,318,604	25,119,619	124,113,249	11,022,087	135,135,336	87,280,825	64.59%
Claims Secured by Residential Property	18,600,140	-	18,600,140	-	18,600,140	8,577,058	46.11%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	0.00%
Non-Performing Assets (NPAs) (i)	16,440,869	-	16,440,869	-	16,440,869	18,022,982	109.62%
Higher-Risk Categories	-	-	-	-	-	-	
Cash Items and Other Assets	32,467,009	-	32,467,009	-	32,467,009	24,538,134	75.58%
<b>Total</b>	<b>581,040,003</b>	<b>240,132,255</b>	<b>547,918,975</b>	<b>47,848,698</b>	<b>595,767,673</b>	<b>401,643,368</b>	<b>67.42%</b>

**Template 8**  
**Credit Risk under Standardised Approach: Exposures by Asset Classes and Risk Weights**

Description	Amount (LKR'000) as at 30th June 2021 (Post CCF& CRM)											Total Credit Exposures Amount
	Risk Weight	0%	10%	20%	35%	50%	60%	75%	100%	1.50	>150%	
<b>Asset Classes</b>												
Claims on Central Government and CBSL		91,020,728	16,616,588	-								107,637,316
Claims on Foreign Sovereigns and their Central Banks												-
Claims on Public Sector Entities				2,905,273								2,905,273
Claims on Official Entities and Multilateral Development Banks												-
Claims on Banks Exposures				15,685,090		-			6,233,828			21,918,918
Claims on Financial Institutions				-		12,604,708			9,618,762	-		22,223,470
Claims on Corporates				-		5,499,296			232,940,046	-		238,439,342
Retail Claims							28,512,001	84,730,652	3,959,080			117,201,733
Claims Secured by Gold		4,600,826		13,332,776					-			17,933,602
Claims Secured by Residential Property					15,420,126				3,180,014			18,600,140
Claims Secured by Commercial Real Estate									-			-
Non-Performing Assets (NPAs) (i)						910,609			11,455,425	4,074,836.00		16,440,870
Higher-Risk Categories												-
Cash Items and Other Assets		7,898,621		37,818					24,530,570			32,467,009
<b>Total</b>		<b>103,520,175</b>	<b>16,616,588</b>	<b>31,960,957</b>	<b>15,420,126</b>	<b>19,014,613</b>	<b>28,512,001</b>	<b>84,730,652</b>	<b>291,917,725</b>	<b>4,074,836.00</b>	<b>-</b>	<b>595,767,673</b>

**Template 9**  
**Market Risk under Standardised Measurement Method**

Item	RWA Amount (LKR'000) as at 30th June 2021
<b>(a) Capital Charger Interest Rate Risk</b>	<b>71,728</b>
General Interest Rate Risk	<b>71,728</b>
(i) Net Long or Short Position	71,728
(ii) Horizontal Disallowance	
(iii) Vertical Disallowance	
(iv) Options	
Specific Interest Rate Risk	
<b>(b) Capital Charge for Equity</b>	<b>519,147</b>
(i) General Equity Risk	261,417
(ii) Specific Equity Risk	257,730
<b>( c ) Capital Charge for Foreign Exchange &amp; Gold</b>	<b>270,634</b>
<b>Total Risk Weighted Assets on Market Risk</b>	
<b>[(a)+(b)+(c)]*CAR</b>	<b>6,892,072</b>

Template 10

Operational Risk Under Basic Indicator Approach/The Standardised Approach/The Alternative Standardised Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30th June 2021		
			1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year
The Basic Indicator Approach	15%		23,377,218	24,408,104	26,992,676
<b>Capital Charges for Operational Risk (LKR'000)</b>					
The Basic Indicator Approach	3,738,900				
<b>Risk-Weighted Amount for operational Risk (LKR'000)</b>					
The Basic Indicator Approach	29,911,199				

Template 11

Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories - Bank Only

Item	Amount (LKR'000) as at 30th June 2021				
	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital
<b>Assets</b>	<b>575,364,329</b>	<b>579,868,789</b>	<b>581,040,001</b>	<b>11,425,860</b>	<b>585,563</b>
Cash and Cash Equivalents	24,756,508	24,959,866	24,959,866		
Balances with Central Bank	7,471,988	7,471,988	7,471,988		
Placements with Banks	5,384,487	5,406,708	5,406,708		
Derivative Financial Instruments	152,860				
Other Financial Assets Held-For-Trading	9,299,378	9,250,687	9,250,687	9,093,860	
Securities Purchased under Resale Agreements	1,239,580	1,239,287	1,239,287		
Loans and Receivables to Banks	-	-			
Loans and Receivables to Other Customers	411,633,521	417,278,924	419,035,700		-
Financial Investments - Available-For-Sale	46,204,210			2,332,000	
Financial Investments - Held-To-Maturity	50,883,512	90,287,592	90,287,592		
Investments in Subsidiaries	1,153,602	1,153,602	1,153,602		
Investments in Associates and Joint Ventures		-			
Property, Plant and Equipment	3,702,199	3,735,799	3,735,799		
Investment Properties	-	-			
Goodwill and Intangible Assets	585,563	585,563			585,563
Deffered Tax Assets	-				
Other Assets	12,896,921	18,498,773	18,498,772		
<b>Liabilities</b>	<b>525,390,248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Due to Banks	24,828,370				
Derivative Financial Instruments	223,858				
Other Financial Assets Held-For-Trading					
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	455,097,957				
Other Borrowings	9,753				
Debt Securities Issued	3,004,829				
Current Tax Liabilities	1,831,040				
Deferred Tax Liabilities	784,524				
Other Provisions					
Other Liabilities	16,507,674				
Due to Subsidiaries	205,369				
Subordinated Term Debts	22,896,874				
<b>Off-Balance Sheet Liabilities</b>	<b>206,361,531</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Guarantees	61,614,768	-			
Performance Bonds					
Letters of Credit	13,812,478	-			
Foreign Exchange Contracts	138,930	-			
Other Contingent Items	31,294,025	-			
Undrawn Loan Commitments	99,043,300	-			
Other Commitments	458,030	-			
<b>Shareholders' Equity</b>					
Equity Capital (Stated Capital)/Assigned Capital					
of which Amount Eligible for CET1	18,323,881	-			
of which Amount Eligible for AT1		-			
Retained Earnings	26,012,947	-			
Accumulated Other Comprehensive Income	1,172,099				
Other Reserves	4,465,154	-			
<b>Total Shareholders' Equity</b>	<b>49,974,081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Template 12 - Explanations

Column a. presents the assets , liabilities and equity on standalone SLFRS basis. Pillar III disclosures as at 30th June presented in accordance with regulatory capital concepts and rules.

a. Explanations of Differences between accounting and regulatory exposure amounts.

Total assets shown in column a and b in Template 11	
Total assets as per carrying values reported in published Financial Statements ( column a)	575,364,329
Total assets as per carrying values reported under scope of regulatory reporting (column b)	579,868,789
Difference	4,504,460

Financial Assets-Instrument Type	Valuation Technique	Inputs used for valuation
Treasury Bills	Price Formula	Based on market yeild published by CBSL
Treasury Bonds	Price Formula	Based on market yeild published by CBSL
Srilanka Development Bonds	Price Formula	Similar instrument's rate (LIBOR)
Quoted Equities	Closing share price	Closing share price (CSE)
Unquoted Equities	Net assets per share	Net assets per share as per latest Audited Financial Statements
Debentures	Price Formula	Similar instrument's yeild (Treasury bond yeild)